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**American Recovery and Reinvestment Act  
Department of Energy Weatherization Assistance Program  
Departmental Guidance**

Guidance Number: DOE WAP ARRA No. 001  
Date: August 24, 2009  
Subject: Leveraging DOE WAP ARRA Funds

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**The purpose of this guidance is to affirm that CSD's energy service providers may leverage their DOE WAP ARRA funding with other non-DOE WAP programs and funding sources.**

In recent weeks, there has been some conflicting statements and concern about whether leveraging was permitted or prohibited under the DOE WAP ARRA grant. To resolve the issue, CSD presented the question to US DOE. CSD indicated that written program guidance from USDOE has encouraged leveraging, and that California's DOE WAP ARRA State Plan proposes leveraging with other programs, including weatherization programs funded by LIHEAP and energy efficiency programs funded and administered by utility companies.

On August 15, 2009, US DOE confirmed the previous written program guidance. US DOE stated: "Please leverage whenever possible. The only rule is that non-ARRA DOE cannot be co-mingled with ARRA DOE. The ARRA funds need to be kept separate for OMB reporting purposes."

Based on this written confirmation, CSD has determined that energy services providers may leverage DOE WAP ARRA funding with other non-DOE WAP funds under the following conditions:

1. DOE WAP ARRA funds may be leveraged with other non-DOE funding such as LIHEAP weatherization or LIEE programs, but the DOE WAP ARRA funds may not be leveraged in the same dwelling with DOE WAP funding under the regular, non-ARRA DOE WAP annual funding.
2. DOE WAP ARRA funds are subject to all accountability and transparency rules under ARRA, including related federal and state rules and guidance for implementation of ARRA programs.
3. The accounting and reporting of program and fiscal activities supported by DOE WAP ARRA funds are subject to strict requirements and must be separated from the accounting and reporting from those activities supported by other funding. When an energy service provider leverages DOE WAP ARRA funds with other

programs while retrofitting a single dwelling, all costs must be separately tracked to identify specifically what labor, materials or other costs are supported by ARRA and to ensure that there is no double-counting or double-billing for those costs.

4. When an energy service provider leverages more than one source of funding to weatherize a single dwelling, the provider must maintain and make available for inspection all program and fiscal records for that dwelling regardless of funding source, to enable federal and state monitors to verify the accountability and transparency of the ARRA funds.
5. Under the rules of Davis-Bacon, all wages for labor and construction for each weatherization project – each dwelling – supported in whole or in part by DOE WAP ARRA must be paid at prevailing wage. In other words, for each DOE WAP ARRA household, labor costs for complementary weatherization measures supported by LIHEAP, the utilities' Low Income Energy Efficiency program or other funding source must also be paid at the prevailing wage applicable to the DOE WAP ARRA program.

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This guidance is an official CSD determination and applicable to all DOE WAP ARRA contracts. The guidance, directives and/or interpretations contained herein shall be deemed to be incorporated into any current DOE WAP ARRA contract pursuant to ARRA Exhibit A Section 1.B. of that contractual agreement between CSD and the local provider, effective immediately upon the date of this guidance.